

Of Counsel:
GALIER DeROBERTIS ONO
Law Corporations

GARY O. GALIER	2008
L. RICHARD DeROBERTIS	3179
JEFFREY T. ONO	2763

610 Ward Avenue, Suite 200
Honolulu, Hawaii 96814-3308
Telephone: (808) 597-1400
Facsimile: (808) 591-2608

Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

IN RE:)	CASE NOS. CV03-00325 REJ LEK
HAWAII FEDERAL ASBESTOS)	CV03-00326 REJ KSC
CASES)	
)	
LORENZO BACLAAN and NAOMI)	
BACLAAN, et al.,)	PLAINTIFFS' REPLY TO
)	DEFENDANT ROBERT B.
Plaintiffs,)	PRESTON, AN INDIVIDUAL'S,
)	AND ARTER & HADDEN'S
vs.)	CONDITIONAL STATEMENT OF
)	NO POSITION REGARDING
COMBUSTION ENGINEERING,)	PLAINTIFFS' MOTION TO (1)
INC., a Delaware corporation; et al.,)	APPROVE ENTERING INTO
)	STIPULATION WITH TRUSTEE IN
Defendants.)	THE ARTER & HADDEN LLP
)	CHAPTER 7 BANKRUPTCY, AND
IN RE:)	(2) ISSUE AN ORDER TO SHOW
HAWAII FEDERAL ASBESTOS)	CAUSE TO THE "MINIDOM
CASES)	INSURERS"; CERTIFICATE OF
)	SERVICE
GEORGE H. TORO and VIVIAN)	
TORO, et al.,)	
)	

Plaintiffs,)
)
vs.)
)
COMBUSTION ENGINEERING,)
INC., a Delaware corporation, et al.,)
)
Defendants.)
)

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**PLAINTIFFS' REPLY TO DEFENDANT ROBERT B. PRESTON,
AN INDIVIDUAL'S, AND ARTER & HADDEN'S CONDITIONAL
STATEMENT OF NO POSITION REGARDING PLAINTIFFS' MOTION
TO (1) APPROVE ENTERING INTO STIPULATION WITH TRUSTEE
IN THE ARTER & HADDEN LLP CHAPTER 7 BANKRUPTCY, AND (2)
ISSUE AN ORDER TO SHOW CAUSE TO THE "MINIDOM INSURERS"**

Defendant Robert B. Preston and specially appearing Defendant Arter & Hadden have stated that "counsel for Defendant will draft and circulate a stipulation/ agreement to be appropriate parties, setting forth the undisputed coverage applicable to the instant action." If the Minidom Insurers are parties to this stipulation/ agreement and if they have agreed that coverage is at least as extensive as set forth in the "reservation of rights" letters that were transmitted to Plaintiffs' counsel on March 20, 2006 then Plaintiffs would concede that this would render moot an order to show cause. However, in the absence of such a signed representation by the Minidom Insurers, Plaintiffs believe that it would be inappropriate for Plaintiffs to enter into the stipulation with the Bankruptcy Trustee to waive all rights against the debtor (Arter & Hadden LLP) unless the Minidom Insurers represent to Plaintiffs that

they are accepting coverage of these claims except as noted in the reservation of rights letter.

DATED: Honolulu, Hawaii, April 20, 2006.

Respectfully,

/s/ L. Richard DeRobertis

GARY O. GALIHER

L. RICHARD DeROBERTIS

JEFFREY T. ONO

Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
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HAWAII FEDERAL ASBESTOS) CV03-00326 REJ KSC
CASES)

LORENZO BACLAAN and NAOMI)
BACLAAN, et al.,) CERTIFICATE OF SERVICE

Plaintiffs,)

vs.)

COMBUSTION ENGINEERING,)
INC., a Delaware corporation; et al.,)

Defendants.)

IN RE:)
HAWAII FEDERAL ASBESTOS)
CASES)

GEORGE H. TORO and VIVIAN)
TORO, et al.,)

Plaintiffs,)

vs.)

COMBUSTION ENGINEERING,)
INC., a Delaware corporation, et al.,)

Defendants.)

CERTIFICATE OF SERVICE

I hereby certify that, on the dates and by the methods of service noted below, a true and correct copy of the foregoing was served on the following at their last known address:

Served Electronically through CM/ECF on April 20, 2006:

Theodore D.C. Young
tyoung@cades.com

Leighton M. Hara
lhara@robbinsandassociates.net

Wendy M. Yamamoto
wyamamoto@robbinsandassociates.net

Served by First Class Mail on April 20, 2006:

Jeffrey S. Portnoy
Cades Schutte
1000 Bishop Street, Suite 1200
Honolulu, HI 96813

Andrew T. Frankel
Barry R. Ostrager
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

Chet A. Kronenberg
Deborah L. Stein
Simpson Thacher & Bartlett LLP
1999 Avenue of the Stars, 29th Floor
Los Angeles, CA 90067-4607

Kenneth S. Robbins
Charla J. Ota
Robbins & Associates
841 Bishop Street, Suite 2200
Honolulu, HI 96813

Robert S. Bernstein
Suite 2200, Gulf Tower
Pittsburgh, PA 15219

Thomas D. Thomas
Law Office of Thomas D. Thomas
3100 Donald Douglas Loop N, Suite 30-5
Santa Monica, CA 90405

Peter C.P. Char
Char Hamilton Campbell & Thom
Pacific Guardian Center Mauka Tower
737 Bishop Street, Suite 2100
Honolulu, HI 96813

DATED: Honolulu, Hawaii, April 20, 2006.

/s/ L. Richard DeRobertis
L. RICHARD DeROBERTIS
Attorneys for Plaintiffs